M.R.O. 1—32 400—22-11-20

MADRAS RECORD OFFICE.

Government of Madras.

Public DEPARTMENT.

G.O. No. 849		Press ~~Mis.~~
Dated 31—5—1859.		

R.O. no: 31-32

Not to be folded or roughly handled

Proceedings of the Madras Government, Public Department, from 28th to 31st May 1859.

No. 31. Read the following Proceedings of the Commission for Investigating Public Establishments.

The enquiry into the Establishment of the Government Printing Press, requested in Extract Minutes Consultation, Public Department, No. 526, dated 6th April 1859, rendered necessary an investigation of the books, in order that the capital cost, as well as the amount of the working expenses, might be ascertained.

2. Neither of these can be determined, with accuracy, from the present books of the Press, capital cost and working charge being to some extent confounded; that is to say, capital charges have been charged to working expenses, of course to the increase of the latter, and the enhancement of the price of the work done.

3. To obtain the capital cost of the Presses, Types, Furniture, Stock, &c., it was necessary to apply to the Accountant General, from whose statement, enclosed in a letter to the Chief Secretary to Government, dated 17th December, 1858, it appears, that the value of Printing Presses, Types, and other Plant, supplied to the Fort Saint George Gazette Press, up to the 30th April 1857, &c. &c. &c., amounted, on that day, to the sum of

&c. &c., amounted, on that day, to the sum of	Rupees	52,090	7	11
from which, deducting one item, ...	,,	225	0	0
which does not appertain to capital, ...	Rupees	51,865	7	11

appears to be the correct sum.

4. By the Superintendent's statement of Receipts and Disbursements, on account of the Fort Saint George Gazette Office, up to 30th April 1857, the value of Presses, Types, Furniture, &c., is stated at Rupees 43,151-13-11, *after* deduction for depreciation, wear and tear, &c., and these deductions appear to have been as follows:—

On 30th April 1856, ...	Rupees	11,652	14	0
On 30th April 1857, ...	,,	7,672	6	3
	Rupees	19,325	4	3
which, with the value as above, ...	,,	43,151	13	11
gives the aggregate prime cost	Rupees	62,477	2	2

which exceeds, by nearly ten thousand Rupees, the amount given by the Accountant General.

5. But Mr. Maclagan, on opening the new books, makes more variations, as thus:—

In the Journal dated — October 1857, the value of the Stock, &c., on the 30th April 1857, was Rupees 45,593-12-2; in the Journal dated — April 1858, see Folio 35, the value of the Stock, &c., (on the 30th April 1857) was Rupees 43,518-1-11.

6. In the last year for which the books are written up, (they are in arrear a whole twelve-month,) there is, therefore, at starting, a very material difference of opi-

nion, upon the most important element;—the value on a given day of the whole concern being stated,

By the Accountant General, as,	....	Rupees 51,865 7 11	prime cost.
The Superintendent............ ,,	....	,, 43,151 13 11	reduced cost.
Mr. Maclagan..................... ,,	....	,, 45,593 12 2	do.
Do., 6 months afterwards, ,,	....	,, 43,518 1 11	do.

7. By no manipulation of these figures can any thing like an adjustment be arrived at, either at that or any other date, and, without a complete analysis of the books, it would be unsafe to assume, that the difference between the Superintendent's Statement, and that of the Accountant General, is covered by the ten thousand Rupees mentioned at para. 4 herein, as there is reason to believe, that a large amount, expended in capital, has been charged against the working expenses, in the accounts up to, and prior to, 10th April 1857, which will, of course, increase the Superintendent's total of Rupees 62,477-2-2,* and, at the same time, add to the difference between his total and that of the Accountant General. It is, however, impossible to pronounce, with any degree of safety, upon this point, until the books have been put to rights.

**Para. 4.*

8. The probability of the existence of such elements of incorrectness is confirmed by the fact, that in the Statements of the Superintendent, for the two half years, ended 31st October 1857, and 30th April 1858, instances occur of capital charged to working, amounting to Rs. 5,317-3-6, the particulars of which remain to be enquired into.

9. In the list of Ledger Balances, on 30th April 1858, the capital outlay is stated as follows:

Led: Fol: 92 Furniture		Rupees....	9,389	9	2
,, 93 Miscellaneous..........................		,, ...	2,580	11	9
,, 94 Presses		,, ...	33,150	9	8
,, 96 Types		,, ...	14,391	5	5
		Rupees....	59,512	4	0
to which must be added, the deductions.	Rupees 11,652 14 0				
	,, 7,672 6 3				
made on account of depreciation...........	,, 6,024 12 9				
			25,350	1	0
		Rupees....	84,862	5	0

10. These deductions are made annually on the 30th April, that is to say, on 30th April 1858, depreciation for wear and tear &c., is computed upon the sum standing to the debit of capital under the several heads, on 1st May 1857. The rates, which have been settled by Government, in Extract Minutes Consultation, Public Department, No. 108, dated 2nd February 1858, are as follows, viz.,

On cost of Presses.....................................	7½	per cent.
Types	20	,,
Furniture..	10	,,
Miscellaneous stock....................................	100	,,

11. It is a mistake to designate the Superintendent's half yearly return, a "Statement of Receipts and Disbursements," if it answered to its description, it would be a statement of facts, whereas it is nothing of the kind, being composed, for the most part, of estimate. To adopt the words of the statement, "the Printing and Book-binding, executed at the Press on account of Public Offices," is *valued* at,

In the half-year ended 31st October 1857	Rupees....	82,413	2	4
Do. do. 30th April 1858	,, ...	1,16,482	1	2
	Rupees....	1,98,895	3	6
Assuming, for the sake of illustration, as correct, the cost of Government work during the twelve months, as given at para. 15 herein..................	Rupees....	72,349	13	8
Data are obtained, by which a profit is shown of....	Rupees....	1,26,545	5	10

But, as the estimate is purely arbitrary, so its result, the profit, is simply fictitious, and its amount will, of course, vary accordingly as the estimates range high or low; any amount of profit can be shewn by this mode of statement.

12. The same result, that is, shewing the cheap working of the Press, can be attained by legitimate means, as thus—(to avoid confusion, suppose all the work done to be composing and printing, size foolscap folio.)

Rs. 1,98,895 will, at the assumed price of the Press, which is Rs. 3, give pages 66,298.
Rs. 72,350 ÷ 66,298 gives the real cost, Rs. 1-1-6 nearly, therefore,
The press saves Rs. 1-14-6 per page, which is equal to Rs. 1,26,545 nearly.

13. By adopting this course, the exact cost of every description of work, done in the Press, can be arrived at, which at present is not the case, and if, as it is possible may be the case hereafter, the Government printing is done by contract, these very calculations will afford the best possible data on which to settle the prices.

14. The accounts for the year ended 30th April 1858, during which time they appear to have been under the direction of Mr. Maclagan, are open to objection; as rendered they give the following results:—

Cost of Government work.

Half-year ended 31st Oct. 1857 (Rs. 37,154 5 11—Rs. 3,977 4 11)=	Rs.	33,177	1	0
Do. do. 30th April 1858 (Rs. 49,584 13 10—Rs. 3,808 12 0)=	,,	45,776	1	10
	,,	78,953	2	10

which will be reduced by the following, viz.
the outstanding balances were—

On 30th April 1858....	Rs.	3,553	1	8
On 30th April 1857	,,	2,267	0	0

i. e. earnings were short credited..	Rs.	1,286	1	8
Capital charged against working—see para. 8,	,,	5,317	3	6
		6,603	5	2
gives the sum, adopted at para. 11 herein,..............................	Rupees..	72,349	13	8

15. Before closing the accounts for the half year ended 30th April 1858, the earnings of the Press should be debited with the following, and similar charges should be made half-yearly in future.

Bad Debts	Rupees	84	8	0
Depreciation	„	6,024	12	9
Interest on Expenditure for 1 year at 5 per cent on half the sum, say Rupees 40,000	„	2,000	0	0
Interest on Cost of Plant on 30th April 1857, 1 year, at 5 per cent on Rupees 43,000	„	2,150	0	0
Interest on Cost of Plant in the year ended 30th April 1858, one year at 5 per cent on half the sum, say Rupees 12,500	„	625	0	0
	Rupees	10,884	4	9

16. These will, of course, materially increase the working charges given in para: 11, and add to the price per sheet, as given in para: 12, about one-seventh, making in all, about Rupees 1-6-0 per page, or Rupees 5-8-0 per sheet.

17. As regards the English prices this shews well. Mr. J. R. McCulloch's very clear Memoranda on Public Printing, dated January 1859, give the following prices:

	£.	s.	d.
Printers employed by Stationery Office,—corrections charged at a moderate rate	0	18	3
Printers for the House of Lords, Eyre and Spottiswoode—corrections charged at a rate about one-fourth more than the Stationery Office Printers	1	1	8½
Printers for the House of Commons, Hansard—corrections charged at a rate double that paid by the Stationery Office Printers	1	13	4
Printers for the House of Commons, Nichols—and corrections equal to £0-8-0 for the Votes, £0-6-0 for the Indices, £0-4-0 for the Supplements	2	6	10
The Queen's Printers	1	16	6
5)£	7	16	7½
gives an average, without corrections, of per sheet	£1	11	4

18. The cost at the Government Press appears to be Rupees 5-8-0, equal to about £ 0-11-0, without any charge whatever for corrections. It must also be borne in mind, that much of the work done in the Fort Saint George Press is of an exceptional character, while much of that at Home is plain work; again, the Proceedings of the House of Commons and the orders of the day are, some of them, very short indeed, and do not even fill half a page, but, nevertheless, the cost, including corrections, comes to £0-13-8½, whereas, in the Fort Saint George Press, half pages are only charged as such, without any allowance for correction; the charges for this sort of work, of which there is a large amount both here and at Home, are in London £0-13-8½, in Madras £0-3-0.

Proceedings of the Madras Government, Public Department, from 28th to 31st May 1859.

19. The Proceedings of the Madras Government, Public Department, mentioned in the margin, refer to the Commission, without comment, letters from Messrs. Pharoah and Co. of the Athenæum Press, and of Messrs. Graves and Co. of the Scottish Press, urging their claims for employment, upon grounds among which economy and saving to the State prominently appear ;—and from Mr. Smith, the Superintendent of the Government Press, reporting a saving effected by the transfer of the Press of the Revenue Board, of Rupees 400 per mensem, and stating that he is now in a position to take over the business of the Educational Department.

No. 698 *of* 4*th May* 1859.
No. 706 *of* 6*th May* 1859.
No. 720 *of* 9*th May* 1859.

20. As regards the Memorials of Messrs. Pharoah and Co. and Messrs. Graves and Co. it does not appear likely, under the circumstances, that they can work so cheaply as the Government Press, and it is not unworthy of notice that, at the Stationery Office at Home, where the practice is similar to that of the Madras Government, the work is done at the lowest of the figures stated at Para : 17.

21. But very much depends upon the accuracy of the calculations, and, as has been already stated, the books of the Government Press are not in such a state that they may be with any confidence relied on. Besides, the larger the amount of work, the lower the rates at which it ought to be executed, and as, in the year ended 30th April 1859, there has been very much more printing than in previous years, it would seem advisable to base upon the facts of that year, when they are ascertained, any further remarks upon this subject, as more likely to be pertinent to the present and future working of the Department.

22. The Commission, therefore, strongly recommend that the arrears of the accounts be at once taken into consideration, and measures adopted to overtake them without delay.

23. As regards Mr. Smith's communication the Commission will take measures to test the correctness of the calculation upon which he reports a saving of Rupees 400 per mensem, and they will enquire into the merits of the further saving of Rupees 140 per mensem, and the large contingent allowance alluded to. On enquiry however, it does not appear that the capital cost of the plant, &c., transferred by the Revenue Board, has been established, which should at once be done in order to save future reference. The Commission also observe upon that part of Mr. Smith's letter which refers to the Press of the Educational Department, that before either that, or any other addition be received into the Government Press, the cost at which it stands in the books of the Department should be established and agreed with the Accountant General, and due deductions made for any wastage or depreciation that may have occurred.

(Signed) W. A. MOREHEAD, President.
(„) G. L. PRENDERGAST.
(„) G. BALFOUR, Colonel.

MADRAS, 10th May 1859.

No 32. ORDER THEREON, 31st May 1859, No. 849.

The Government entirely concur in the proposal contained in para. 22 of these proceedings and direct that it be carried out.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. F. Cartledge.

PROCEEDINGS

OF THE

COMMISSION FOR INVESTIGATING PUBLIC ESTABLISHMENTS.

The enquiry into the Establishment of the Government Printing Press, requested in Extract Minutes Consultation, Public Department, No. 526, dated 6th April 1859, rendered necessary an investigation of the books, in order that the capital cost, as well as the amount of the working expenses, might be ascertained.

2. Neither of these can be determined, with accuracy, from the present books of the Press, capital cost and working charge being to some extent confounded; that is to say, capital charges have been charged to working expenses, of course to the increase of the latter, and the enhancement of the price of the work done.

3. To obtain the capital cost of the Presses, Types, Furniture, Stock, &c., it was necessary to apply to the Accountant General, from whose statement, enclosed in a letter to the Chief Secretary to Government, dated 17th December, 1858, it appears, that the value of Printing Presses, Types, and other Plant, supplied to the Fort Saint George Gazette Press, up to the 30th April 1857, &c. &c. &c., amounted, on that day, to the sum of.................... Rupees 52,090 7 11

from which, deducting one item, ... ,, 225 0 0

which does not appertain to capital, ... Rupees 51,865 7 11

appears to be the correct sum.

4. By the Superintendent's statement of Receipts and Disbursements, on account of the Fort Saint George Gazette Office, up to 30th April 1857, the value of Presses, Types, Furniture, &c., is stated at Rupees 43,151-13-11, *after* deduction for depreciation, wear and tear, &c., and these deductions appear to have been as follows:—

On 30th April 1856, ...	Rupees 11,652	14	0
On 30th April 1857, ...	,, 7,672	6	3
	Rupees 19,325	4	3
which, with the value as above, ...	,, 43,151	13	11
gives the aggregate prime cost	Rupees 62,477	2	2

which exceeds, by nearly ten thousand Rupees, the amount given by the Accountant General.

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*Para. 4.

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Furniture	10	,,
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11. It is a mistake to designate the Superintendent's half yearly return, a "Statement of Receipts and Disbursements," if it answered to its description, it would be a statement of facts, whereas it is nothing of the kind, being composed, for the most part, of estimate. To adopt the words of the statement, " the Printing and Book-binding, executed at the Press on account of Public Offices, is *valued* at,

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Printers for the House of Commons, Hansard—corrections charged at a rate double that paid by the Stationery Office Printers.......................	1	13	4
Printers for the House of Commons, Nichols—and corrections equal to £0-8-0 for the Votes, £0-6-0 for the Indices, £0-4-0 for the Supplements..	2	6	10
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W. A. Morehead
President
G. L. Prendergast
G. Ballam Cloud

Madras 10th May 1859.

Pros. of Govt. 31 May.

Public. 1859. Departt.

Pro: of the Commission for investigating Public Establishments.

D/ 10th
Of 23rd May /59.

No. 843.

Submitting the results of its enquiry into the Establishment of the Govt. Printing Press, ordered in Ext. C. No. 526 of 6th April 1859.

With an order

No. 849

The Government concur entirely in the proposals contained in para 22 of these proceedings and direct that it be carried out.

Fort St. George
31st May 1859

W. M.
Secy. to Govt.

The Commission for investigating Public Establishments

21 & 32.

C 23 May
R 30 "

27 4/22